
CASHLESS ECONOMY IN INDIA

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Introduction

aceless, paperless, cashless is one of the professed role of Digital India. Digital India is a programme to prepare India for a knowledge future. It should be the endeavor of the govt. to catalyze smartphone adoption that will ultimately achieve the real digitalization goal. Making the country digitally empowered in the field of technology means Digitalization. It was launched on 1st July 2015 by Prime Minister Narendra Modi..

Key words- cashless, digital, smartphone.

Objectives of the study

1. To understand the concept of Cashless economy.
2. To study the current situation of digital payments in India.

Research Methodology

This paper is based on secondary sources of information.The facts and figures are collected from the journal, books, website, and reports.

History of Transactions-

Prehistoric age -Barter system-

About 8000 years ago- In prehistoric age peoples were used to swipe valuable against an item they wanted from another person. shells, beans, grains, salt, livestock land were exchange for required object.

Bronze age- About 3500 years ago valuable metals bronze, silver and gold value used as a form of money.

Paper money- Chinese merchant invented the first form of paper money about 1,000 years ago.

Mediaeval age- 18h century 14th century the rise of cheques. In 17th century cheques became very popular . Concept of daily clearing started during the 1770s in London

19th century- money transfer- In 19th century

Bank transfers/ wire transfer started. In 1872 first wire transfer was launched by Western Union. Telegraph network was used for this transfer . Sender have to pay the money to telegraph office then the operator would have to message to another office and the funds were given to recipient.

20th Century- During the 20th century Bank started issuing plastic cards along with cheques known as cheque guarantee card. The first ATM card was issued in London in 1967. bythe 80s introduction of electronic point of sale terminals came in(POS). The cards were swept through a swiper for transactions.

The 21st century- Late 20th and early 21st century innovative technologies were invented for cashless payment. Cashless Economy. A cashless economy is one in which all the transactions are done using cards .Greater usage of digital /electronic payments means cashless economy. Indians traditionally prefers to save and spend in cash. They were not ready to go for cashless transactions. The reasons behind it were lack of awareness, security reason, limited availability of mobile phones and internet facility.

Benefits of Cashless Economy

Ease, transparency and faster transactions

Cashless economy will reduce tension of keeping full of notes along with us.

One step solution for all kinds of cash transactions such as –

1. Bill payment
2. Fees payment
3. Funds transfer
4. Recharge

It will ensure Black Money Free India.

Increase in span of the income tax.

It will enhance the revenue received by the govt.

Digital payment is made by-

1. Aadhar Enabled Payment system
2. Unified Payments Interface
3. Mobile Wallets
4. Banks Prepaid Cards

5. Point of sale
6. Internet Banking
7. Mobile Banking
8. Micro ATMS

A smart phone has all the capability to become the central & important point in Cashless Digital Economy. A sharp increase in the use of mobile phones with internet connectivity is very helpful for digital transactions. Personal internet banking has become more popular in India. Digital India has continued to make new progress. UPI payments is playing a big role in this moment. UPI means Unified payments interface developed by National payments Corporation of India. Works for transferring funds between two bank on mobile or web platform.

There are best 5 UPI apps in India

- 1 phone pay
- 2 Google pay
3. Paytm
4. Amazon pay
5. Bhim app

Number of Digital Payments In India

Sr. No.	Year	No. Of Digital Payments in Billions
1	2018	14.59
2	2019	23.26
3	2020	34.12
4	2021	43.71
5	2022	74.22

The above table shows the no. of digital transactions recorded. In 2018 no of digital payments recorded were 14.59 billions. This no increased in March 2022 upto 74.22 billions. Due to covid-19 in India there is a massive increase in the number of people opting for online financial payments.

Problems In Cash Less Economy

1. Cyber crimes will increase.
2. Hike in the hacking of the personal information

3. Poor section of India who is covered under conventional banking system will suffer allot
4. Low literacy rates in rural area.
5. Lack of internet facility.

Conclusion

Under the program of digital India the Government of India aims to transform India into a digitally empowered society. Government is taking several measures to promote digital payments in the country. Finance minister Nirmala sitharaman made an announcement during the budget 2022 speech to setup 75 digital banking units in 75 districts and inclusion of all 1.5 Lakh post offices under the core banking system, financial support, digital currency. It will be Helpful for faceless ,paperless ,cashless economy.

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